

Amend CSHB 2233 (House committee printing) by adding the following SECTIONS to the bill, appropriately numbered, and renumbering subsequent SECTIONS of the bill accordingly:

SECTION____. The heading to Section 2303.504, Government Code, as effective September 1, 2005, is amended to read as follows:

Sec. 2303.504. STATE TAX REFUNDS AND CREDITS; REPORT.

SECTION____. Sections 2303.504 (a) and (c), Government Code, as effective September 1, 2005, are amended to read as follows:

(a) Subject to Section 2303.516, an enterprise project is entitled to:

(1) a refund of state taxes under Section 151.429, Tax Code; and

(2) a franchise tax credit under Subchapter P or Q, Chapter 171, Tax Code.

(c) Not later than the 60th day after the last day of each fiscal year, the comptroller shall report to the bank the statewide total of actual jobs created, actual jobs retained, and the tax refunds and credits made under this section during that fiscal year.

SECTION____. Sections 2303.516(b) and (d), Government Code, are amended to read as follows:

(b) The comptroller [~~bank~~] may determine that the business or project is not entitled to a refund or credit of state taxes under Section 2303.504(a) if the comptroller [~~bank~~] finds that:

(1) the business or project is not willing to cooperate with the comptroller [~~bank~~] in providing the comptroller [~~bank~~] with the information the comptroller [~~bank~~] needs to determine state benefits [~~make the determination under Subsection (a)~~]; or

(2) the business or project has substantially failed to follow through on any commitments made by it or on its behalf under this chapter.

(d) A qualified business may obtain a state benefit, earned through a specific enterprise project designation, on completion of:

(1) a certification of the project or activity for completeness that is conducted [~~an audit performed~~] by the comptroller to verify [~~that will certify~~] hiring commitments of a

qualified business under this chapter;

(2) a certification conducted by the comptroller to verify [and] eligible purchases of taxable items made by or on behalf of the [a] qualified business under this chapter; and

(3) a verification of the capital investment for the project or activity, conducted by the comptroller, to determine the level of benefit achieved by the qualified business.

SECTION____. Section 2303.517, Government Code, is amended to read as follows:

Sec. 2303.517. REPORT. Before obtaining a state benefit, the qualified business must submit to the comptroller [~~bank~~] a certified report of the actual number of jobs created or retained and the capital investment made at or committed to the qualified business site.

SECTION____. Section 151.429(a), Tax Code, as effective September 1, 2005, is amended to read as follows:

(a) An enterprise project is eligible for a refund in the amount provided by this section of the taxes imposed by this chapter on purchases of taxable items[+

~~[(1) equipment or machinery sold to an enterprise project for use at the qualified business site;~~

~~[(2) building materials sold to an enterprise project for use in remodeling, rehabilitating, or constructing a structure at the qualified business site;~~

~~[(3) labor for remodeling, rehabilitating, or constructing a structure by an enterprise project at the qualified business site;and~~

~~[(4) electricity and natural gas purchased and consumed in the normal course of business at the qualified business site].~~

SECTION____. Section 171.721(2), Tax Code, is amended to read as follows:

(2) "Strategic investment area" means an area that is determined by the comptroller under Section 171.726 that is:

(A) a county within this state with above state average unemployment and below state average per capita income;

(B) an area within this state that is a federally

designated urban enterprise community, ~~[or]~~ an urban enhanced enterprise community, an empowerment zone and associated developable areas, or a renewal community; or

(C) a defense economic readjustment zone designated under Chapter 2310, Government Code.

SECTION ____ . Section 2303.516(c), Government Code, is repealed.